AMENDMENTS TO THE DRAWINGS

The attached replacement sheets of drawings include changes to FIG. 5, FIG. 18 and FIG. 26. In FIG. 5 reference number 308 has been added. In FIG. 18 reference number 200 has been changed to 220 and reference number 208 has been changed to 214. Reference number 500 in FIG. 26 has been changed to 520.

REMARKS

Claims 51 through 94 are in the application, with claims 51, 52, 91, 92, and 93 having been amended and claims 94 through 106 having been cancelled. Claims 51 and 91 are the independent claims herein. No new matter has been added. Reconsideration and further examination are respectfully requested.

Objections

The drawings have been amended as stated above and the specification has been amended according to the Examiner's helpful suggestions.

Claim Rejections

Claim 97 is rejected under 35 U.S.C. §112, first paragraph and 35 U.S.C. §112, second paragraph. Claims 51, 82-86, 91-96 and 102-106 are rejected under 35 USC § 102(e) as being anticipated by Publication No. US 2001/0032167 ("Tulloch"). Claims 52-72, 81, 87-90 and 98-101 are rejected under 35 USC § 103(a) as being unpatentable over Tulloch. Claims 73-80 are rejected as being unpatentable over Tulloch as applied to claim 52 above, and further in view of Experimental Economics by Douglas D. Davis and Charles A. Holt ("Davis"). Claim 97 is rejected as being unpatentable over "A Seasoned Foe Heads Probe of Auctioneers" by Alexandra Peers and Ann Davis ("Peers"), and further in view of Tulloch. Reconsideration and withdrawal of the rejections are respectfully requested.

Claim 97

Claim 97 has been cancelled without prejudice. Accordingly, the reactions are now moot.

Claims 51 and 91

Amended independent claim 51 describes a method for facilitating the sale of an item. The method comprises initiating an auction for an item, receiving a bid for the item identifying a transformation function associated with the bid applying the transformation function to the bid to produce a transformed bid updating a state of the auction based on the transformed bid and generating status data representing the updated state of the auction. The bid made by a bidding auction participant. Moreover, the transformation function is based on attribute information that comprises at least one of shipping costs, handling charges, and a preferred shipping mode.

The art of record is not seen to disclose or to suggest the above-mentioned features of amended independent claim 51. In particular, the art of record is not seen to disclose or to suggest a transformation function based on attribute information comprising at least one of shipping costs, handling charges, and a preferred shipping mode.

Tulloch describes a method of transformation bidding using rebates and discounts. Bids submitted by a bidder are transformed using bid information and at least one of a rebate and a discount. Accordingly, nowhere can Tulloch possibly be seen to disclose or suggest transforming the bid based on attribute information comprising at least one of shipping costs, handling charges, and a preferred shipping mode.

The remaining art of record has been reviewed and is not seen to remedy the foregoing deficiencies in Tulloch. Therefore, the art of record, taken in any permissible combination, is not seen to disclose or suggest a transformation function based on attribute information comprising at least one of shipping costs, handling charges, and a preferred shipping mode.

In view of the foregoing, amended independent claim 51 is believed to be in condition for allowance. Claims 52 through 90 depend from claim 51 and are therefore also believed to be allowable for at least the foregoing reasons.

Amended independent claims 91 relates to a method in which a transformation function is based on attribute information comprising at least one of shipping costs, handling charges, and a preferred shipping mode. In view of the foregoing, amended independent claim 91 and its related dependent claims are believed to be in condition for allowance.

CONCLUSION

The outstanding Office Action presents a number of characterizations regarding the applied references, some of which are not directly addressed herein because they are not related to the rejections of the independent clams. Applicants do not necessarily agree with the characterizations and reserve the right to further discuss those characterizations.

For at least the reasons given above, it is submitted that the entire application is in condition for allowance and such action is respectfully requested at the Examiner's earliest convenience. Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is kindly invited to contact the undersigned via telephone at (203) 972-4982.

Respectfully submitted,

August 31, 2006 Date

Richard S. Finkelstein Registration No. 56,534

Buckley, Maschoff & Talwalkar LLC

Attorneys for IBM Corporation

Five Elm Street

New Canaan, CT 06840

(203) 972-4982

Attachments:

Replacement Sheet for FIG. 5

Replacement Sheet for FIG. 18

Replacement Sheet for FIG. 26